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Free Money

(or in other words: the chapter has scholarship money available; apply now!)

Twice each year, the Greater Oregon Chapter awards education scholarship money to chapter members. The scholarships consist of up to \$750 toward tuition for courses presented by GOCAI that meet designation requirements. Preference in awarding scholarships is given to members who have demonstrated progress toward meeting designation requirements and who have supported our chapter, but all chapter members are eligible to apply. The award money must be used within one year of award receipt.

The deadlines for application are June 30 and December 1 of each year. To access the application, please visit the GOCAI website (www.oregonappraisers.org) and click on the "Education Scholarships" link on the left



Greater Oregon Chapter

Message from the President:

John V. Donnerberg, MAI
john@donnerberg.com

I would like to take this opportunity to thank Brian Brooks SRA for his efforts as chapter president in 2015. Brian has a quiet demeanor, but he has worked diligently on behalf of our chapter. Not only has he served on the Board for the last several years, but he has also represented our Chapter at LDAC for 3 years, and represented our chapter at many regional and national meetings around the country. He has been very easy to work with, and continues to work for the Appraisal Institute at the regional level. Thank you Brian.



Chapter stats:

With the GOCAI board of director's help, Brian left our chapter in sound financial shape. We designated a record 17 people last year, 14-MAI's, 3-SRA's. Most of them were present at our Installation of Officers, January 14, 2016. All new designees received framed copies of their designations. Designations were presented by a members of chapter leadership.

As of the end of 2015 we had 389 Chapter Members this figure includes; 147-MAI's, 62-SRA's, 9-AI-GRS, and 3-AI-RRS

Education:

Our education committee, including myself, proposes a robust education schedule in 2016. In the 1st half of 2016 we have scheduled 9 educational offerings, with additional home-grown seminars planned for each of 3 remaining chapter meetings. Our first offering of the 2016-2017 was December 4, 2015 with 41 people in attendance.

Our chapter continues an escalating struggle to offset the losses of income from students who prefer to take online educational offerings, both AI sponsored and non-AI sponsored. While I, like many of you, enjoy the convenience of online education, this change in student preference presents challenges to the chapter based education model. We have struggled to balance the need for live classroom offerings with student desires for more online classes. This issue is of concern to many chapters in our region. We will continue to pursue classroom education offerings that do not have direct competition from online offerings. Homegrown offerings are an important part of that effort. I encourage our membership to take advantage of these homegrown classroom opportunities when offered.

AI/TAF:

Our final board meeting of 2015 included a lively discussion of the ongoing dispute between the Appraisal Institute and The Appraisal

side of the page.

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Foundation. The discussion included a brief presentation of the history of the dispute by past national president, Brian Glanville, MAI and past chapter president Tom Boyle, MAI.

The general consensus in the meeting was that our broader client bases are growing weary of continued or escalated disputes between AI and TAF. I will try to convey this message to regional and national leaders when presented the opportunity.

Government Relations:

At our Board Meeting in December 2015, we had a presentation by Laurie Egan, 2015 President of the local NAIFA chapter. Her organization would like to work with GOCAI in a lobby effort to establish a statute of limitations to appraisal investigations by the Oregon ACLB.

This represents a significant lobby effort likely aimed at the 2017 full legislature session. GOCAI chapter Vice President and Government Affairs chair, Owen Bartels has agreed to help coordinate our chapter's effort in this initiative.

2016 Board of Directors

I would like to thank the members of this year's GOCAI board of directors for their willingness to volunteer on behalf of our membership. Your 2016 board is;

Owen Bartels, MAI (vice president)

Katherine Powell Banz, MAI (Treasurer)

Jeff Grose, MAI (secretary)

Dean Cameron, MAI, AI-GRS (director 3rd year)

Hillary Peterson, MAI, AI-GRS (director 2nd year)

Michael Hinnant, SRA (director 1st year)

Respectfully Submitted

John V. Donnerberg, MAI
2016 GOCAI President

Featured Article

COMMONLY ENCOUNTERED USPAP VIOLATIONS

Gae Lynne Cooper, Administrator, ACLB

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Below is a list of USPAP violations most commonly encountered by the Oregon Appraiser Certification and Licensure Board (ACLB) Staff and the Enforcement Oversight Committee as a result of investigating allegations filed with the Board. This list was developed for informational purposes only and does not constitute legal advice or instructions on how to properly comply with USPAP or properly complete an appraisal assignment.

Most Commonly Encountered USPAP Violations:

Record Keeping- Failing to maintain all appraisal reports transmitted to the client. Lack of documentation in the workfile regarding neighborhood data. No support for characteristics, one-unit housing trends and present land use percentage..

Scope of Work- Failing to develop, apply, and/or disclose a credible scope of work (including extraordinary assumptions and/or hypothetical conditions). An example is the failure to state the extraordinary assumptions and/or hypothetical conditions relied on in the assignment.

Sales History- Failing to report and analyze all agreements of sale, options and listings, of the subject current as of the effective date of the appraisal and/or failure to analyze all sales of the subject that occurred within the three years prior to the effective date of the appraisal. Violations also include failure to report and analyze prior listings of the subject when the listings would have a significant effect on the credibility of the assignment results and the failure to reconcile this data with other data in the report.

Market Analysis- Failure to provide a market analysis of sufficient depth to be credible for the intended use. Some examples include:

- Lack of delineation of neighborhood boundaries;
- Not identifying the relevant characteristics criteria of the neighborhood; and
- Failing to identify market trends, including the analysis of and the effect, if any, of bank owned ("REO") and/or "Short Sale" properties and/or the analysis of current listings in the neighborhood.
- Misinterpretation of the 1004MC that results in a conclusion that is contrary to what the data indicates in the 1004MC. (An example is when the 1004MC shows an overall increasing trend, the appraiser concludes a stable trend and the report fails to contain additional data or support for the stable conclusion.)

Site Analysis- Failing to identify, analyze, and/or report the relevant characteristics of the site and improvements of the subject property in detail. Some examples include:

- Failing to report and describe the specific and accurate zoning for the subject property;
- Failing to report and analyze easements on the property;
- Failing to report and analyze the existence of detrimental site conditions on adjacent properties.

Sales Comparison Section of Comparable Properties- Failing to select and/or support the selection of comparable sales using recognized methods and techniques. Some examples include:

- Leaving the subject's neighborhood when comparable sales data is readily available in the immediate neighborhood;
- Searching by price;
- Utilizing sales of superior quality, superior site characteristics, and/or superior amenities when more similar sales to the subject were readily available; and
- Lack of documentation in the workfile for the comparable sales and search criteria selected.

Sales Comparison Adjustments- Failure to support adjustments in the sales comparison approach in a market value appraisal based on recognized methods and techniques. Some examples include:

- Developing paired sales analysis but not documenting in the appraisal report and/or workfile;
- Utilizing "rules of thumb" adjustments without documenting market-based support; and
- Inadequately summarizing the information analyzed and the reasoning that supports the analysis, opinions and conclusion when using varied adjustments.

Cost Approach- Failure to develop and/or support cost new, estimate of site value, and the estimate of accrued depreciation. Some examples include:

- Stating that certain methods or techniques were relied upon but they were not actually performed;
- Reliance on land sales for site value with no documentation in the workfile;

- Unsupported estimates of effective age and/or economic life.

Boilerplate Language- Failing to edit canned statements or boilerplate to avoid conflicting, inappropriate, and/or incorrect statements so as to produce a misleading appraisal report. An example includes making statements not applicable to the appraisal.

Highest and Best Use- Failure to provide an adequate analysis and to summarize the support and rationale for the opinion of the highest and best use.

Communication of Assignment Results- Failure to communicate the assignment results in sufficient detail to enable the intended users to understand the appraisal report properly. Some examples include:

- Failing to report and describe additional features of the property such as a swimming pool and/or extra garages, barns; and
- Failing to reconcile the quality and quantity of data available and analyzed within the approaches, and failing to reconcile the relevance of the approaches, methods and techniques used to develop an opinion of value.

Most Common Encountered Error in Oregon Administrative Rule:

OAR 161-025-0060- Failing to disclose in all appraisal reports whether the comparable sales analyzed in the appraisal report were or were not confirmed by a party to the transaction or an agent or representative of a party to the transaction

Member Spotlight

John V. Donnerberg, MAI - 2016 Chapter President

john@donnerberg.com



Three generations of the Donnerberg family

John is a fourth generation Oregonian, born and raised in Portland and groomed from a young age to be not only an appraiser, but to take on leadership roles in our industry. John's dad, George, who was the GOCAI chapter president in 1988, used to travel with his family to chapter events around the state. They even managed to make it to the national meeting in Hawaii. Through John's high school and younger years, George was active in the Appraisal Institute so it is not surprising that both his sons went into the appraisal profession and that nearly 30 years later John is stepping into his dad's shoes as chapter president. John started working with the chapter about 5 years into his career, first as the newsletter editor, then education chair and in 2013 serving on the board of

directors.

John graduated from Oregon State University with a degree in Technical Journalism and a minor in Earth Science. After college and a few jobs to save up money, he left town to be a ski bum in Colorado, an experience he says he will always remember fondly. Making his way back to Portland, he started his career in appraisal. Currently, he primarily does right-of-way work and works for himself with small staff.

John has three kids (ages 6, 8 and 14) with his wife Cindy, an engineer with CH2M. Outside of appraisal, he enjoys skiing and snowboarding, making it to the mountain almost every weekend with the kids in the snow season. He and his family also enjoy camping, fishing and hiking as well as Beaver football games and Timbers soccer games.

In his role in the Appraisal Institute, John says the friends and experience he has gained have amazed him. We have a great community of professionals in our chapter and he encourages everyone to get involved.

[Two hour meeting and social-May 12, 2016](#)

Mysteries and Misconceptions-USPAP, Regulations and AMC's presenter, Bob Keith-President-Valuation Compliance Resource, LLC, Compliance Officer, First Choice Appraisal Management



This seminar will unlock the mystery of how our national system of appraiser and AMC regulation works (or doesn't work.) The new requirements for state appraiser boards and AMCs imposed by the Dodd-Frank Act will also be discussed. Attendees will learn how to stay abreast of the ever-changing Uniform Standards of Professional Appraisal Practice and how to avoid the most common violations. We will address some misconceptions about AMCs and take a peek at the "Wizard Behind the Curtain."

The learning objectives for this seminar are for attendees to understand:
How our national system of appraiser and appraisal management company regulation works including its strengths and weaknesses.

- How to stay abreast of the regular fluctuation in USPAP
- The most common USPAP violations and how to avoid them
- How and why AMCs do what they do

Please join us at:

Hayden's Grill

8187 SW Tualatin Sherwood Road, Tualatin, OR.

3:00-5:00pm-Social to follow

Members-\$50

Non Members-\$60

(includes seminar and social)

Door prizes provided by Valuation Compliance Resource, LLC

***Two hours of continuing education has been approved with the Appraisal Institute
and applied for in the
State of Oregon and Washington.***

[Register now](#)

GOCAI Support of PSU Real Estate Program

John V. Donnerberg, MAI

john@donnerberg.com

The Greater Oregon Chapter is proud to have been able to grant a \$2,000 scholarship to Alex Joyce, graduate student at Portland State University's Master of Real Estate Development program. The scholarship was presented by Chapter President, John Donnerberg, MAI at a reception hosted at PSU's Urban Center, on March 2, 2016. The GOCAI has continued to fund the annual scholarship, affiliated with PSU's Center for Real Estate, for the past several years.



(L-R) John Donnerberg, MAI, Gerard Mildner, PhD, Alex Joyce.

Alex received his scholarship after being selected from a pool of talented and motivated graduate students led by department Director, Dr. Gerard Mildner. Alex was also a student in PSU's Real Estate Valuation class, taught by GOCAI chapter member, Mathew Larrabee, MAI.

This year's scholarship grant represents a continuation of support for PSU's Center for Real Estate, which has become a prominent fixture in the Oregon real estate community. Graduates from the Real Estate Development program have found success in the

appraisal, brokerage, and development community.

The Appraisal Institute is in good company in supporting the growing real estate program at Portland State. Other participants in the scholarship program include, CCIM, RMLS, SIOR, NAR, CREW, and several other private development and brokerage firms. For more information about the program go to www.pdx.edu/realestate

Note from Alex the day after receiving the scholarship from us.

I wanted to thank you for the scholarship award I received last night. I thanked Matthew Larrabee, MAI in person also. I really enjoyed Matt's Valuation class and learned a tremendous amount. I come at development from the urban planning world, and he is very skilled at teaching practical financial skills and techniques that I really needed to learn.

I'm paying for my MRED degree out of my pocket and it is like having a second mortgage, so getting this scholarship is a big help. Thank you so much.



Alex Joyce

Best,
Alex Joyce

2016 Oregon Legislative Session Report
Lana Butterfield, Butterfield Enterprises, LLC
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The 2016 Oregon legislative session was quite contentious on many topics. While there were no bills directly impacting appraisers, there were a number that may affect apartment land values and other housing issues. [Click here for a full bill list.](#)

For example, House Bill 4143, which provides more predictability for Oregon renters, including a ban on rent increases in the first year of a month-to-month tenancy and 90-day notification for any rent increases after that. Senate Bill 1533, effective June 2, 2016, ends statewide bans on two affordable housing tools, inclusionary zoning and construction excise taxes. It is important to stay on top of this kind of information, and GOCAI will keep you informed.

Upcoming Events 2016

<u>DATE</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>
April 19-22	General Appr. Market Analysis and Highest & Best Use	DoubleTree by Hilton Tigard, OR.
April 28	7- Hour National USPAP Update	DoubleTree by Hilton Tigard, OR.
April 29	Business Practices and Ethics	DoubleTree by Hilton Tigard, OR.
May 12	Mysteries and Misconceptions-USPAP, Regulations and AMC's	Hayden's Grill Tualatin, OR
May 23-26	Basic Appraisal Procedures	Hillsboro, OR.
October 17-21	Advanced Income Capitalization	DoubleTree by Hilton Tigard, OR.
October 21	Contract or Effective Rent: Find the Real Rent	DoubleTree by Hilton Tigard, OR.

For a complete list of upcoming classes and events, and to register for any of these classes, please visit the GOCAI website www.oregonappraisers.org/event.html

Sincerely,

Zoe R. York, MAI
Newsletter Editor, Greater Oregon Chapter of the Appraisal Institute



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